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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 02/15/08

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Akahata:

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, February 14

NIKKEI (Page 2) (Full)
February 15, 2008

08:52

Met with Toyota Chairman Fujio Cho, former Prime Minister Mori and Deputy Secretary General Hosoda at restaurant Blue Gardenia in Grand Prince Akasaka.

09:33

Met at Kantei with South Korea Ambassador to Japan Yu Myung Hwan joined by Chief Cabinet Secretary Machimura, Foreign Ministry Asian and Oceanian Affairs Bureau Director General Saiki. Met afterwards with Nuclear and Industrial Safety Agency head Komota.

10:30

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Met with Deputy Foreign Minister Sasae, followed by Vice Foreign Minister Yabunaka. Met later with LDP Secretary General Yabunaka.

11:55

Met with special advisors to the Cabinet Okuda and Kurokawa, Special Advisor to the Cabinet Nishimura, Tokyo Electric Power President Katsumata, and Nippon Steel President Mimura.

13:03

Met with Okinawa Gov. Nakaima attended by Deputy Chief Cabinet Secretary Futahashi. Met again with Okuda, Kurokawa, Nishimura,

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Katsumata and Mimura.

14:55

Met with New Komeito Vice Representative Higashi, followed by Deputy Foreign Minister Kono.

16:17

Met with Machimura.

17:00

Had regular eye checkup at Mitsui Memorial Hospital.

18:45

Returned to Kantei.

19:12

Met with former BOJ Gov. Mieno, Japan Tobacco President Nagaoka at Imperial Hotel.

20:20

Dined with his family at a Chinese restaurant in Higashi-Azabu.

21:00

Returned to his official residence.

4) North Korean leader Kim appreciates U.S. State of the Union address but assumes wait-and-see attitude on nuclear issue

TOKYO SHIMBUN (Page 1) (Full)
February 15, 2008

Yasunobu Kiuchi, Beijing

It was learned yesterday that in a meeting on Jan. 30 with Wang Jiarui, head of the International Department of the Communist Party of China, North Korean leader Kim Jong Il had expressed appreciation for President George W. Bush's last State of the Union address,

telling Wang, "It is to be noted that there was no criticism of our country in the address." This was revealed by sources familiar with China-North Korea relations. This is the first revelation of Kim's remarks about the United States made in the session between Kim and Wang.

Reportedly, Kim noted, "I will closely watch the presidential campaign in the U.S. to see whether the U.S. will shift (its attitude toward North Korea)," and indicated that even though the U.S. and North Korea are still at loggerheads over the question of nuclear program reporting, he will ascertain whether the U.S. will soften its stance toward his country. Given that Washington has demanded Pyongyang make a full, complete declaration of all its nuclear programs, it is likely to take time before the six-party

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talks are resumed.

According to sources, although the denuclearization process, including the declaration of nuclear programs, as agreed on in the six-party talks, has fallen behind the schedule, Kim told Wang that "Our country is not responsible for this (delay)." Kim made this remark, apparently keeping in mind such factors as the delay in economic assistance by means of, for instance, the supply of heavy fuel oil, and America's slow move to delist the North as a state sponsor of terrorism. In addition, Kim reportedly indicated his intention to watch in what direction the Lee Myung Bak administration of South Korea, which is to be inaugurated on Feb. 25, will move.

Wang asked Kim to visit China, but Kim refrained from making a clear-cut answer. Yet, reportedly, speaking of his tour of the economic special zone in the south of China during his visit to that country in January 2006, Kim expressed his hope of visiting underdeveloped regions when he visits China next time.

Furthermore, First Vice Foreign Minister Kang Sok Ju, who also attended the session, reportedly voiced dissatisfaction about Japan's policy of linking economic and energy assistance to a resolution of the abduction issue.

5) U.S. military charges 4 U.S. servicemen with gang rape

TOKYO SHIMBUN (Page 27) (Full)
February 15, 2008

In connection with Iwakuni-based U.S. Marines' alleged rape of a 20-year-old Japanese woman, four Marines, aged 20-39, have been charged with a violation of the Uniform Code of Military Justice (UCMJ), sources revealed yesterday.

In November last year, the Hiroshima District Public Prosecutors Office decided not to prosecute the four after receiving papers from police over their alleged gang rape. If the U.S. military court-martials them, such would differ from Japan's action taken under its criminal code as an unprecedented case. Hiroshima prosecutors say they are not in a position to comment.

According to the Iwakuni base, the four were charged in December last year with crimes, including sexual violence, theft, and disobedience under the UCMJ.

U.S. military authorities yesterday pre-examined the four at the Iwakuni base to determine whether or not to court-martial them. The victimized woman, with tears and in a trembling voice, testified that she was raped by the four.

The woman consented to perform sexual intercourse with one of the four. However, she explained, "The other three guys came into the car during that time...and I was raped by the four."

The woman did not tell Hiroshima police that she had consented with one of the four. Asked why, she said she felt ashamed of what she did thoughtlessly.

She also explained that her bag and shoes were thrown away after she

was raped. She had cash, about 12,000 yen, in her wallet and found almost no money in it.

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The four U.S. servicemen also appeared in court. However, they were not arraigned. The U.S. military will continue its preliminary inquiry of the four today.

The four investigated the incident, suspecting that the four got to know the woman at an event hall in the city of Hiroshima early on October 14 last year and that they took her into a car and gang-raped her. However, the police decided not to arrest the four, reasoning that there was something ambiguous in her explanation. The police sent papers to prosecutors. The Hiroshima District Public Prosecutors Office decided not to prosecute the four.

6) Stricter curfew planned: USFJ chief

TOKYO SHIMBUN (Page 2) (Full)
February 15, 2008

In connection with the recent rape of a third-year junior high school girl in Okinawa, U.S. Forces Japan (USFJ) Commander Wright, meeting the press in Tokyo yesterday evening, said the USFJ is now planning to review its educational programs and take other preventive steps. "We'd like to finish this in two to four weeks," Wright said. With this, the USFJ commander indicated that USFJ would reach a conclusion within a month on its plan, which includes imposing a stricter night curfew on U.S. military personnel and barring them from specially designated areas and stores. "We're considering every possible measure," he added.

Wright took a negative view about revising the Japan-U.S. Status of Forces Agreement (SOFA), which stipulates legal status for U.S. military personnel stationed in Japan. "The SOFA has no direct bearing on the incident this time," he said, "so we won't be discussing that matter."

Wright suggested the need to provide SOFA personnel with more education regarding sexual abuse and violence in particular. "We will take strong action against such acts," he stressed. USFJ set up a taskforce at its headquarters on Feb. 13 to work out a preventive action plan. The taskforce consists of commanding officers from all U.S. Army, Navy, Air Force, and Marine Corps bases in Japan. "We'd like to work it out as soon as possible," he said.

7) In response to Marine rape incident, Japan, U.S. hurry to work out measures to prevent recurrence with aim of constraining anti-base sentiment

YOMIURI (Page 4) (Full)
February 15, 2008

The Japanese and U.S. governments are in a hurry to work out measures to prevent a recurrence of similar incidents like the latest alleged rape of a junior high schoolgirl by a U.S. Marine in Okinawa. Ideas being discussed between the two governments, for instance, include having the U.S. military police and Japanese police officers jointly patrol shopping and entertainment districts. The installation of security cameras in such areas is also being mulled.

Okinawa Gov. Hirokazu Nakaima yesterday called on Prime Minister Fukuda at the Prime Minister's Official Residence to tell him: "I would like you to work out measures to prevent a recurrence of

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similar incidents in the way that will convince the Okinawa people and then to make them open to the public."

Late yesterday, Fukuda told the press: "The governor asked me to prevent a recurrence of similar incidents. We must do something in cooperation with Okinawa. We must prevent a recurrence (of similar

incidents)."

Fearing that the incident could have a harmful effect on bilateral relations, the government is quickly working out countermeasures. Through such measures, the government aims to constrain a growing anti-base sentiment among locals and contain the moves seeking to review the Japan-U.S. Status of Forces Agreement (SOFA).

At a press briefing yesterday, the opposition People's New Party's Secretary General Hisaoki Kamei, speaking of the SOFA, noted, "I

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hope a substantial review will be made." One idea being floated among the opposition parties is to let local municipalities join in the Japan-U.S. Joint Committee established in line with the SOFA. One senior Foreign Ministry official stated on behalf of government concern: "Revising the SOFA would bring about the same confusion that Japan experienced when the Japan-U.S. Security Treaty was revised."

8) In meeting with Okinawa governor, Prime Minister Fukuda promises to ask U.S. to take measures to prevent recurrence of similar incidents like rape of schoolgirl this time

NIKKEI (Page 2) (Full)
February 15, 2008

In order to deal with the recent alleged rape of a schoolgirl by a U.S. Marine, Okinawa Gov. Hirokazu Nakaima yesterday called on Prime Minister Yasuo Fukuda at the Prime Minister's Official Residence and asked him to make a request to the U.S. side to strengthen discipline among the U.S. military personnel and take measures to prevent a recurrence of similar incidents. Fukuda gave his word to the governor, telling him: "I understand the feelings of the Okinawa people. I take your request seriously and will do all I can."

In the session, Nakaima emphasized: "Every time a similar incident took place, I have asked the central government to take measures to prevent a recurrence. I would like it to work out measures to prevent a recurrence that can convince the Okinawa people and make them open to the public."

9) High-ranking Pentagon official voices hope for implementation of Futenma relocation, expresses regret for alleged schoolgirl rape

SANKEI (Page 3) (Full)
February 15, 2008

Yoshihisa Komori, Washington

A high-ranking U.S. Defense Department official, giving an interview to the Sankei Shimbun recently, discussed a variety of issues associated with the Japan-U.S. security setup. The official expressed his hope once again for the implementation of the planned relocation of Futenma Air Station in accordance with the bilateral agreement, enhanced Japan-U.S. joint military exercises, and the promotion of missile defense, while expressing his regret over the recent alleged rape of a schoolgirl by a U.S. Marine sergeant in

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Okinawa. He also expressed hope that Japan will participate in security activities in Afghanistan, while emphasizing the positive effect of the Maritime Self-Defense Force's resumed refueling operation in the Indian Ocean.

The Pentagon official, who is deeply involved in Japan-U.S. security relations under the Bush administration, played up the U.S. government's zero-tolerance policy toward sexual violence regarding the recent incident involving the U.S. sergeant, saying: "It is truly regrettable that such an incident occurred. I would like to extend my deepest sympathy toward the girl and her family."

At the same time, he highlighted the importance of Futenma relocation, while expressing hope that the latest incident will not affect U.S. force realignment. He said:

"There seems to be a perception in parts of Japan that the United States is strongly pressuring Japan, but in reality, relevant Japanese government offices from the prime minister on down are in total agreement, and they are pushing ahead with the program by taking the initiative at times."

He also made it clear that altering the plan is not envisaged, noting:

"The Japanese media have reported on a desire to alter the shape and location of the new runways to be constructed as a Futenma replacement facility. However, in their contacts with us, a desire for altering the plan has never been expressed by responsible Japanese offices, such as the Defense and Foreign Ministries or the Prime Minister's Office. Everyone has presented the relocation policy, as was agreed upon."

Touching on the planned relocation of 8,000 U.S. Marines from Okinawa to Guam -- a major pillar, along with the Futenma relocation, in USFJ realignment -- the official said:

"The United States has accepted the Japanese government's pledge to contribute a total of 6 billion dollars to the project, and in fact, we are about to launch the relocation."

About the planned relocation of a U.S. carrier-based air wing from the U.S. Navy's Atsugi base to the U.S. Marine Corps' Iwakuni Air Station, the official simply said:

"I will abstain from commenting on the results of the mayoral race so as not to give an impression that I am interfering in Japan's domestic affairs. The United States is advancing U.S. force realignment based on an agreement with the Japanese government."

About overall Japan-U.S. security relations, the official mentioned the following as priorities: (1) promotion of USFJ realignment for strengthening the bilateral alliance, (2) strengthening joint military drills between the SDF and the U.S. military on Guam and other locations, and (3) promotion of the Japan-U.S. missile defense initiative.

About the fact that Japan has resumed the MSDF's refueling operation in the Indian Ocean as part of the international antiterrorism operation, he said:

"The United States greatly welcomes the step at a time like this

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when the country's burden is growing, given the bad situation in Afghanistan."

He also indicated that Japan's action would significantly contribute not only to the Japan-U.S. alliance but also to international security and that especially between Japan and the United States, it would positively affect other security areas as well, including the abduction issue.

Further, the official expressed his hope that Japan will participate in the area of security in the war on terror in Afghanistan in the form of cooperating with the United States and other countries, in addition to the refueling operation in the Indian Ocean.

10)Iwakuni mayor wants expanded measures to mitigate base burden

MAINICHI (Page 2) (Full)
February 15, 2008

Yoshihiko Fukuda, who won the earlier Iwakuni mayoral election, in which the question of whether to accept the relocation of carrier-based aircraft to Iwakuni was put to local voters, met separately with Defense Minister Shigeru Ishiba and Foreign Minister Masahiko Koumura in Tokyo last evening. In the meetings, the new Iwakuni mayor called for additional measures to resolve noise and other problems generated from the Marine Corps Air Station Iwakuni before starting negotiations with the central government on accepting the transfer plan.

In his meeting with Ishiba, Fukuda requested that now frozen subsidies (3.5 billion yen) for constructing a new city hall be granted to the municipal government at an early date. Ishiba replied: "We want to proceed with administrative work so that we will be able to offer the subsidies as soon as possible."

On the propriety of the aircraft transfer plan, Fukuda said: "I think our city will be able to cooperate on the relocation plan if local citizens' concerns about noise and safety are removed." Specifically, he cited an expansion of the area where anti-noise measures are undertaken and a review of the flight routes.

Upon confirming Fukuda's support of the transfer plan, the Defense Ministry will determine how to grant the subsidies to the city.

11) LDP to dispatch delegation to U.S. to explain circumstances behind temporary suspension of refueling mission

ASAHI (Page 4) (Full)
February 15, 2008

Liberal Democratic Party Secretary General Bunmei Ibuki called on Prime Minister Fukuda at his office yesterday and informed him of the party's plan to shortly send a delegation to the United States, following the Maritime Self-Defense Force's resumption of its refueling mission in the Indian Ocean. The prime minister approved the plan. The delegation will explain to U.S. government officials and others why Japan had to suspend the operation. Coordination is now underway on forming a group to be headed by House of Representatives' Special Antiterrorism Committee Chairman Takashi Fukaya.

12) Gov't mulls info security legislation

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ASAHI (Page 1) (Abridged)
February 15, 2008

The government held a meeting of its intelligence functionality panel yesterday, with Chief Cabinet Secretary Machimura presiding. In the meeting, the panel decided to establish "Cabinet Intelligence Analyst" posts in the Cabinet Intelligence and Research Office in order to enhance the intelligence functions of the prime minister's office. In addition, the panel has also decided to look into the possibility of creating an information security law with severer penalties against information leaks by government personnel. Machimura yesterday told a team, headed by Deputy Chief Cabinet Secretary Masahiro Futahashi, to set about specific studies.

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13) Panel in final report calls for shelving idea of Japanese CIA

MAINICHI (Page 2) (Full)
February 15, 2008

The government's conference on strengthening the diplomatic and security information-gathering functions of the Prime Minister's Office (Kantei), chaired by Chief Cabinet Secretary Nobutaka Machimura, unveiled its final report yesterday. The report calls for postponing drastic organization reform, such as establishing a Japanese version of the CIA, and for making only minor revisions to the interim report released last February. The idea of strengthening the Kantei's intelligence capabilities was one of the eye-catching measures proposed by former Prime Minister Abe.

The panel was launched in December 2006. Improvement in the Kantei's intelligence capabilities was one of the key security policies of the former administration, together with the idea of creating a Japanese-version NSC (National Security Council). The NSC initiative was turned into a bill without full discussion and was killed in the last extraordinary Diet session. Discussion on improvement in the Kantei's intelligence capabilities also lost momentum.

In the government, there are the Cabinet Information Conference (by vice ministers) and the Joint Information Conference (by bureau director generals). These panels are composed of officials of the National Police Agency (NPA), the Foreign Ministry, the Defense Ministry, and the Public Security Intelligence Agency. But since they are unwilling to fully present their own information, results have been limited.

The final report emphasizes the importance of sharing information to improve the Kantei's analysis capabilities and designates the cabinet intelligence director as intelligence coordinator. This measure is also unlikely to be able to contribute to promoting the sharing of information among government agencies, because it is possible for government offices to make a report directly to the Kantei.

The government plans to assign five intelligence analysts in the Cabinet Intelligence and Research Office this April. The introduction of analysts was included in the interim report. It is looking into appointing experts from relevant government agencies, as well as from the private sector. They will analyze and evaluate information forwarded from government offices and draft a report on intelligence analysis from medium- and long-term perspectives.

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This government expects this measure will work effectively to reinforce the intelligence functions of the research office. But some are skeptical of its effectiveness, focusing on the fact that the post of cabinet intelligence director, the top of the research office, has been held by former NPA officials and that the office is considered an outpost of the NPA.

Following the 2001 terrorist attacks in the U.S., the government and the Liberal Democratic Party have come up with a number of reports with recommendations on strengthening the Kantei's information capabilities. Many ideas were presented, but all of them were dropped in the final report.

14) Senior DPJ members to support reelection of Ozawa as party head

SANKEI (Page 5) (Full)
February 15, 2008

Democratic Party of Japan (DPJ or Minshuto) Deputy President Naoto Kan and Azumi Koshiishi, chairman of the DPJ caucus in the House of Councillors, announced yesterday in succession that they would support the reelection of Ichiro Ozawa in the September presidential election. Secretary General Yukio Hatoyama and Diet Affairs Committee Chairman Kenji Yamaoka have already expressed their intentions to back Ozawa. As it stands, the DPJ leaders have now united with an eye on the next House of Representatives election.

At a press conference yesterday, Kan revealed his intent to aim at an early Lower House dissolution and general elections. He stated: "I would like to take over the reins of government under the leadership of President Ozawa" even if the Lower House election is not conducted by September. He also emphasized:

"It is only natural for the DPJ to fight in the next Lower House election under President Ozawa. There is a proverb that 'Don't change horses in midstream when a battle is going on.'"

Koshiishi said: "We will take over political power under the leadership of President Ozawa. There is no need to confirm it."

It is most likely now that Ozawa will be reelected as president even if a Lower House election does not take place by September and he commits no blunders. However, some have pointed to the possibility that Yoshito Sengoku, a former secretary general, Yukio Edano, a former policy chief, and other members, who have distanced themselves from Ozawa, will field a candidate for the leadership race.

15) DPJ-Keidanren talks for first time in three years: Gaps in views on special-purpose road funds

An opinion-exchange meeting between Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa and Japan Business Federation (Nippon Keidanren) Chairman Fujio Mitarai was held yesterday at a Tokyo hotel. Top-level talks between them are the first since the ones held about three years' ago between former DPJ President Katsuya Okada and former Nippon Keidanren Chairman Hiroshi Okuda. Relations between the party and big business have thus far not been close. The DPJ has apparently moved forward to strengthen channels

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with business circles in the run-up to the next Lower House election.

At the outset of the meeting, Mitarai requested, "I would like the DPJ as the top party in the Upper House to promote reform through constructive and proactive talks with the government and the ruling parties." Ozawa noted, "It appears that Keidanren's evaluation of the DPJ's stance is harsh. However, I would like you to understand that if we discuss matters, based on the mechanism of traditional politics and administration, we will get nowhere in our efforts to settle problems." He thus sought understanding from Keidanren regarding the policy of his party, which is aiming at taking over the reins of government.

Concerning the key tax system-related bills, the DPJ explained its policy of abolishing special-purpose road construction revenues and reallocating the funds for other uses. However, Keidanren's side called for early passage of the fiscal 2008 budget bill in order to avoid turmoil in the national life, highlighting a gap in their views on the issue.

16) DPJ to approve of government's plan to appoint Muto as BOJ governor

SANKEI (Page 1) (Full)
February 15, 2008

The main opposition Democratic Party of Japan's (DPJ or Minshuto) decided yesterday to approve the government's plan to promote Vice Governor of Japan Toshiro Muto, 64, a former administrative vice finance minister, to the BOJ governor's post. Following the DPJ's decision, the government is now in the final stage of coordination for presenting its appointment plan to the Diet as early as Feb. 19. Kyoto University Prof. Masaaki Shirakawa, 58, a former BOJ official, and Rikkyo University Prof. Teizo Taya, 62, an academic expert, are strong candidates for BOJ vice governor.

The ruling Liberal Democratic Party (LDP) and DPJ have agreed to avoid a blank period of BOJ governor after the March 19 expiration of incumbent Gov. Toshihiko Fukui.

Many DPJ lawmakers opposed the plan to appoint Muto as governor for the reason that financial authorities should not get involved in monetary policy. However, there are strong calls for the appointment of Muto as governor in the BOJ. There is also concern that If Japan picked the second best person, such would prompt international society's distrust in Japan's economy, according to a government source. Under such circumstances, the government and ruling parties were waiting for anti-Muto moves in the DPJ calming down. The DPJ finally decided to approve the government's plan for the reason that Muto is not a person who would impede the stability of currency values.

Yesterday morning LDP Secretary General Bunmei Ibuki, Diet Affairs Committee Chairman Tadamori Oshima and DPJ Diet Affairs Committee Chairman Kenji Yamaoka exchanged views on the matter. After the meeting, Ibuki met with Prime Minister Yasuo Fukuda. Fukuda met last night with former BOJ Gov. Yasushi Mieno and other officials.

An LDP executive member stressed last evening: "It is reasonable for the government to appoint a person whom financial authorities and former BOJ officials recommend." General Council Chairman Toshihiro

Nikai told reporters: "An appropriate person should be picked as early as possible."

17) Measures to combat global warming

MAINICHI (Page 3) (Full)
February 15, 2008

Visiting United Nations Framework Convention on Climate Change (UNFCCC) Executive Secretary Yvo de Boer held a press conference in Tokyo yesterday. Referring to the Lake Toya Summit in Hokkaido in July, he urged Japan to come up with a specific numerical target for greenhouse gas emissions cuts as the host nation, noting, "Japan can lead discussions by coming up with an ambitious mid-term goal. The world wants definiteness on this issue." He also called on Japan to introduce emissions rights trading, which Japanese business circles are strongly opposing.

The executive secretary noted participants at the G-8 will need to show the extent they intend to cut greenhouse gas emissions by [1](#)2020.

Regarding the use of an emissions rights trading market, he said, "It is the most sophisticated method of curbing climate change. Whoever the next U.S. president is, all industrialized countries will be looking in this direction." He also stressed, "Likewise, Japan will be put to the test regarding whether it will adopt this method. It will be possible to create a universal mechanism even without the participation of Japan."

18) FTC presents draft amendment to AML: 50 PERCENT increase in administrative surcharge to be imposed on companies that lead bid-rigging

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February 15, 2008

The Fair Trade Commission (FTC) yesterday reported the outline of a bill amending the Anti-Monopoly Law (AML) at a meeting of the Liberal Democratic Party's (LDP) AML Research Council. The FTC revealed its policy of increasing an administrative surcharge imposed on companies that played a leading role in bid-rigging and cartel activities by 50 PERCENT. It also showed calculation rates applied to illegal business practices to be newly subject to administrative surcharges. The FTC plans to submit the amendment bill to the current Diet session after obtaining approval from the ruling camp.

Though the FTC had decided to increase administrative surcharges imposed on companies that played a leading role in bid-rigging, the scope of the increase had not been set. An administrative surcharge imposed on a leading manufacturing that led bid-rigging would be raised from the current 10 PERCENT of sales achieved through illegal business practices to 15 PERCENT.

The calculation rates for illegal business practices subject to administrative surcharges will be 3 PERCENT of sales achieved by false labeling, including false or confusing labeling, and 6 PERCENT of sales achieved through such monopolistic practices as excluding competitors by such means as dumping. In the case of the abuse of dominant bargaining position, in which leading companies make unlawful demands to suppliers or subcontractors, trading amounts

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exceeding 2 billion yen will subject to the punishment with an administrative surcharge of 0.5 PERCENT of the trading amounts.

SCHIEFFER